

PORSF
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October 24, 2001

Judy Linton
US Army Corps of Engineers
333 SW First Avenue
Portland, OR 97204-3495

Re: Application for 5-year Maintenance Dredging Permits-
Port of Portland's Marine Terminal 2 and Marine Terminal 5
Willamette River, Portland, Oregon

Dear Judy:

I am writing this letter to inform you and the other agencies responsible for review of these permit applications of the status regarding our need for these permits and the need for us to obtain them quickly.

In July the Port submitted applications to the Corps of Engineers and the Division of State Lands for 5-year permits that would provide authorization to conduct maintenance dredging at Terminal 2 and Terminal 5. The Port has scheduled a dredging project to begin December 1 or shortly thereafter for Terminal 5 Berth 501 and for Terminal 2 Berths 204, 205 and 206. This has been our intention since the permits were originally submitted.

Over the last two weeks the need to conduct each of these projects has become extremely critical. The Port has a contractual obligation through a lease with our tenants to provide a minimum draft depth at each of the berths. Last week, the Prudoe Bay, was loading grain at Terminal 5 Berth 501 and became grounded with a draft of 38 feet. This is two feet above the depth the Port is required to provide. Based on this event, the Port has received a claim for approximately \$60,000. A similar situation arose at Terminal 2 where the Port has received a claim for \$XXXXXX. With grain ships continuing to load over the next month we expect them to load at less than full capacity with the result being further claims filed against the Port. The low water conditions have obviously compounded this problem but regardless, dredging is required at both of these facilities now.

A second concern has arisen over the contracting for this upcoming dredging project at T2 and T5. Based on the advanced bidding and contractor selection requirements of a public agency such as the Port, this project has already been awarded. The ^{selected} contractor ~~selected~~ is now obligated to perform this work but at the same time the Port cannot guarantee that permits will be granted and the project will be conducted. Marine contractors are busy during the months of December and January thus the Port does not want to put our contractor in a position that will limit his ability to obtain other work.



As you can see the ability of the Port of Portland to conduct this work is critical. The Port has worked with several of the regulatory agencies to evaluate and then develop protective approaches to these types of dredging projects. Dredging is an expensive but necessary part of our business and, as I have pointed out, can become critical to our continued operation.

I am requesting that all agencies involved in this permit process conduct the necessary reviews of the permits and the accompanying information in a timely manner so that we can continue to conduct our business.(?????) The Port looks forward to working with all of you on this project, and those in the future, but I want to make sure that you are aware of the importance of dredging when it is required. Please contact me at (503) 944- 7020 or Pad Quinn is available to answer any questions at (503) 240-2014 or via email at quinnp@portptld.com.

Very truly yours,

Bob Hrdlicka
Marine Director
Port of Portland

cc: Tom Melville, Oregon Department of Environmental Quality, LCRMA RMT
John Malek, Environmental Protection Agency, Region X, LCRMA RMT
Wallace Reid/Chip Humphrey, EPA, Region X, Remediation Project Mgr.
Larry Evans, US Army Corps of Engineers
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